



SARBANES SENIOR FORUM

ON MEDICARE AND SOCIAL SECURITY



Social Security: With You Through Life's Journey...

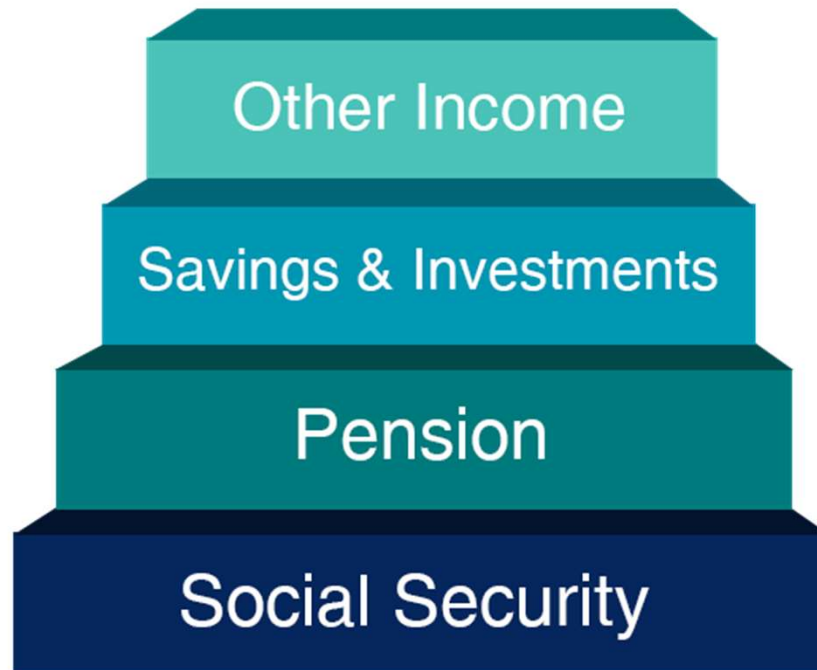


Securing today
and tomorrow

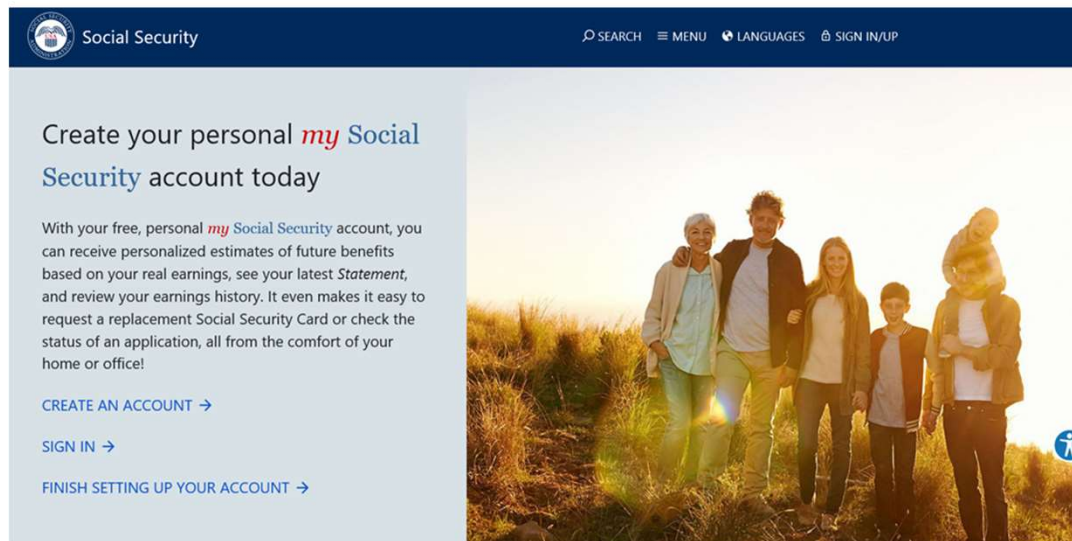


Produced at U.S. taxpayer expense

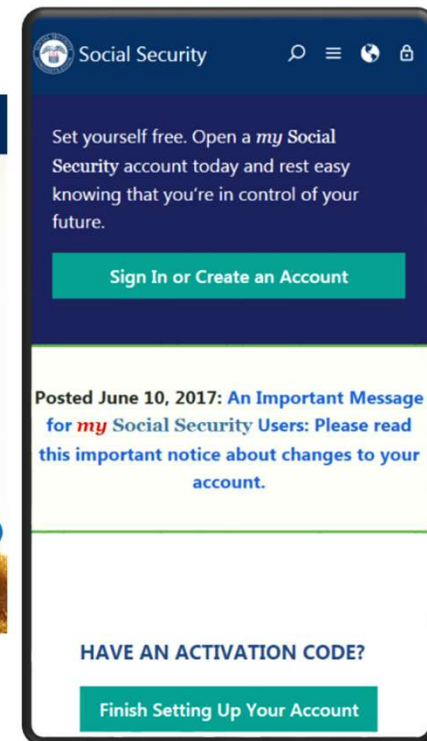
Social Security Foundation of Retirement Income



my Social Security



ssa.gov/myaccount





How Do You Qualify for Retirement Benefits?

- By earning “credits” when you work and pay Social Security taxes
- You need 40 credits (10 years of work) and you must be 62 or older
- Each \$1,470 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2021, you must earn at least \$5,880.

ssa.gov/planners/credits.html



How Social Security Determines Your Benefit?

Benefits are based on earnings

- Step 1 -Your wages are adjusted for changes in wage levels over time
- Step 2 -Find the monthly average of your 35 highest earnings years
- Step 3 -Result is “average indexed monthly earnings”



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[SocialSecurity.gov](https://www.SocialSecurity.gov)

2021 Retirement Benefit Formula

If your average monthly earnings are = **\$7,000**

Then your monthly benefit would be = **\$2,648**

Average Monthly Earnings = \$7,000

90% of First..... **\$996** is **\$896**

32% of Earnings over \$996 through \$6,002... **\$5,006** is **\$1,602**
(\$6,002-\$996=\$5,006)

15% of Earnings over \$6,002..... **\$998** is **\$150**

\$7,000 is \$2,648

**Payments rounded to whole dollar amounts*

Working While Receiving Benefits

| If you are | You can make up to | If you earn more, some benefits will be withheld |
|---|---|--|
| Under Full Retirement Age | \$18,960/yr. | \$1 for every \$2 |
| The Year Full Retirement Age is Reached | \$50,520/yr. before month of full retirement age | \$1 for every \$3 |
| Month of Full Retirement Age and Above | No Limit | No Limit |

Retirement Earnings Test Calculator:
ssa.gov/OACT/COLA/RTeffect.html

Taxation of Social Security Benefits



If you:

file a federal tax return as an "individual" and your *combined income** is

- between \$25,000 and \$34,000, you may have to pay income tax on up to 50 percent of your benefits.
- more than \$34,000, up to 85 percent of your benefits may be taxable.



file a joint return, and you and your spouse have a *combined income** that is

- between \$32,000 and \$44,000, you may have to pay income tax on up to 50 percent of your benefits
- more than \$44,000, up to 85 percent of your benefits may be taxable.



are married and file a separate tax return, you probably will pay taxes on your benefits.

Visit [IRS.gov](https://www.irs.gov) and search for Publication 554, *Tax Guide for Seniors*, and Publication 915, *Social Security And Equivalent Railroad Retirement Benefits*



Taxation of Social Security Benefits

Your adjusted gross income
+ Nontaxable interest
+ ½ of your Social Security benefits
= Your "***combined income***"



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When to start receiving benefits

| Year of Birth | Full Retirement Age | A \$1000 retirement benefit taken at age 62 would be reduced by | A \$500 spouse benefit taken at age 62 would be reduced by |
|---------------|---------------------|---|--|
| 1943-1954 | 66 | 25% | 30% |
| 1955 | 66 and 2 months | 25.83% | 30.83% |
| 1956 | 66 and 4 months | 26.67% | 31.67% |
| 1957 | 66 and 6 months | 27.5% | 32.5% |
| 1958 | 66 and 8 months | 28.33% | 33.33% |
| 1959 | 66 and 10 months | 29.17% | 34.17% |
| 1960 + | 67 | 30% | 35% |

Spouses Benefits

| Spouse (living) benefits | Survivor (death) benefits |
|---|---|
| Any age if caring of a child under 16 years old or Disabled Adult Child | Any age if caring of a child under 16 years old or Disabled Adult Child |
| Can start from age 62 to Full Retirement Age (FRA) | Can start from age 60 to Full Retirement Age (FRA) |
| 50% at FRA or less if you start prior to FRA (reduction for each month you take it early) | 71.5% at age 60 and increases each month you wait, up to 100% if you start at FRA |



Benefits for Divorced Spouses

If you are divorced, and your marriage lasted 10 years or longer, you can receive benefits on your ex-spouse's record (even if he or she has remarried) if:

- You are unmarried;
- You are age 62 or older;
- Your ex-spouse is entitled to Social Security retirement or disability benefits; and
- The benefit you are entitled to receive based on your own work is less than the benefit you would receive based on your ex-spouse's work.



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Spousal Benefits Summary

- Benefit is 50% of worker's unreduced benefit
- Reduction for early retirement
- If spouse's own benefit is less than 50% of the worker's, the benefits are combined
- Does not reduce payment to the worker
- Benefit is unreduced if spouse is caring for a child under age 16 or disabled



Auxiliary Benefits for Children under 18

A child must have:

- A parent who's disabled or retired and entitled to Social Security benefits; or
- A parent who died after having worked long enough in a job where they paid Social Security taxes.

The child must also be:

- Unmarried;
- Younger than age 18;
- 18-19 years old and a full-time student (no higher than grade 12); or
- 18 or older and disabled. (The disability must have started before age 22.)



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Retirement Estimator

- Gives estimates based on your actual Social Security earnings record
- You can use the Retirement Estimator if:
 - You have enough [Social Security credits](#) at this time to qualify for benefits **and**
 - You are **not**:
 - Currently receiving benefits on your own Social Security record;
 - Waiting for a decision about your application for benefits or Medicare;
 - Age 62 or older and receiving benefits on another Social Security record; **or**
 - Eligible for a [Pension Based on Work Not Covered By Social Security](#).

socialsecurity.gov/estimator

Applying for Benefits

2 options available to apply:



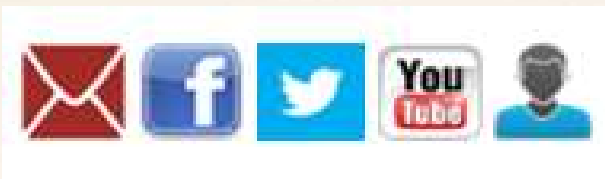
Online



By phone 1-800-772-1213

You choose the most convenient option for you!

File at least three months before!



- Discover us on Facebook, Twitter, YouTube, and our blog, *Social Security Matters*
- View popular agency webinar videos at www.socialsecurity.gov/webinars
- Sign-up to get emails and SMS/Texting when we update popular www.socialsecurity.gov web pages



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SocialSecurity.gov

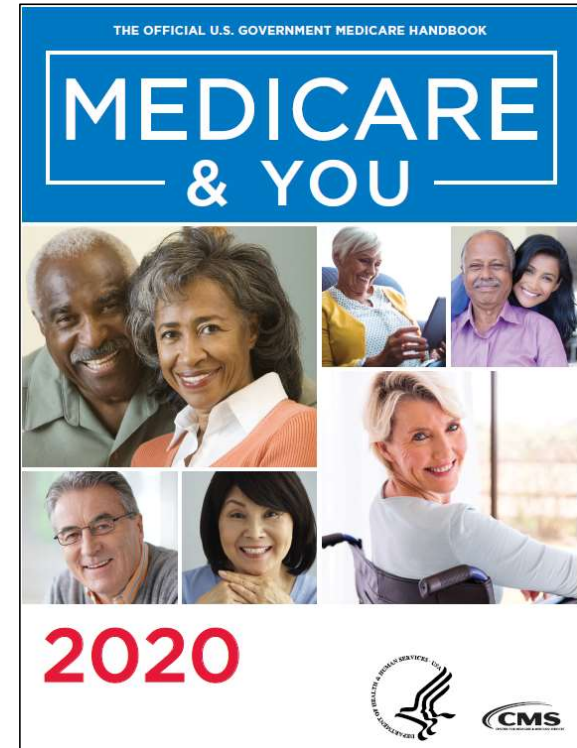
Getting Started with Medicare

Medicare

■ Health insurance for people

- 65 and older
- Under 65 with certain disabilities
 - ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease) without a waiting period
- Any age with End-Stage Renal Disease (ESRD)

NOTE: To get Medicare you must be a U.S. citizen or lawfully present in the U.S. Must reside in the U.S for 5 continuous years.



CMS Product No. 10050

What Agencies are Responsible for Medicare?

Handle Enrollment,
Premiums



Social Security enrolls most people in Medicare



Railroad Retirement Board (RRB) enrolls railroad retirees in Medicare



Federal retirees' premiums are handled by the **Office of Personnel Management (OPM)**

We Handle the Rest



Centers for Medicare & Medicaid Services (CMS) administers the Medicare Program

Your Medicare Options

Original Medicare

☒ **Part A**



☒ **Part B**



You can add:

☐ **Part D**



You can also add:

☐ **Supplemental coverage**



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

Medicare Advantage (also known as Part C)

☒ **Part A**



☒ **Part B**



Most plans include:

☒ **Part D**



☒ **Extra benefits**

Some plans also include:

☐ **Lower out-of-pocket costs**

NOTE: Medicare Supplement Insurance (Medigap) policies only work with Original Medicare.

Your Medicare Card

- Keep it to accept Part B
- To refuse Part B, follow instructions in the “Welcome to Medicare” package
- Carry your card when you’re away from home
- Let your doctor, hospital, or other health care provider see your card when you need health care
- Need a replacement card?
 - ❑ Sign into your Medicare account on [MyMedicare.gov](https://www.mymedicare.gov) and print an official copy
 - ❑ Call 1-800-MEDICARE (1-800-633-4227); TTY 1-877-486-2048



Part A (Hospital Insurance) Covers

Part A (Hospital Insurance) helps cover medically necessary:

✓ Inpatient care in a hospital

- Semi-private room, meals, general nursing, drugs (including methadone to treat an opioid use disorder), and other hospital services and supplies, as part of your inpatient treatment
 - Includes care you get in acute care hospitals, critical access hospitals, inpatient rehabilitation facilities, long-term care hospitals, psychiatric care in inpatient psychiatric facilities (lifetime 190-day limit in a freestanding psychiatric hospital), and inpatient care for qualifying clinical research study



Part A
Hospital Insurance

✓ Inpatient care in a skilled nursing facility (SNF)

- After a related 3-day inpatient hospital stay
 - If you meet all the criteria

Part A (Hospital Insurance) Covers (continued)



Part A
Hospital Insurance

Part A (Hospital Insurance) helps cover:

- ✓ Blood (inpatient)
- ✓ Hospice care
- ✓ Home health care
- ✓ Inpatient care in a religious nonmedical health care institution (RNHCI)

Decision: Do I Need to Sign Up for Part A?

- **Consider**

- It's free for most people
- You can pay for it if your work history isn't sufficient
 - There may be a penalty if you delay
- Talk to your benefits administrator if you (or your spouse) are actively working and covered by an employer plan

NOTE: To avoid Internal Revenue Service (IRS) tax penalties, stop contributions to your Health Savings Account (HSA) before Medicare starts.

Part B (Medical Insurance) Covers

Part B—Medical Insurance helps cover medically necessary:

- ✓ Doctors' services
- ✓ Outpatient medical and surgical services and supplies
- ✓ Clinical lab tests
- ✓ Durable medical equipment (DME) (like walkers and wheelchairs)
- ✓ Diabetic testing equipment and supplies
- ✓ Preventive services (like flu shots and a yearly wellness visit)
- ✓ Home health care
- ✓ Medically necessary outpatient physical and occupational therapy, and speech-language pathology services
- ✓ Outpatient mental health care services



Part B
Medical Insurance

Part B—Preventive Services

- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Bone mass measurement (bone density)
- Breast cancer screening (mammogram)
- Cardiovascular disease (behavioral therapy)
- Cardiovascular disease screenings
- Cervical and vaginal cancer screenings
- Colorectal cancer screenings
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- Hepatitis B Virus (HBV) infection screening
- Hepatitis C screening test
- HIV (Human Immunodeficiency Virus) screening
- Lung cancer screening
- Medical nutrition therapy services
- Obesity screening and counseling
- Pneumococcal shots
- Prostate cancer screenings
- Sexually transmitted infection (STI) screening and counseling
- Smoking and tobacco-use cessation (counseling to prevent tobacco use & tobacco-caused disease)
- “Welcome to Medicare” preventive visit
- Yearly “Wellness” visit

What's Not Covered by Part A and Part B?

Some of the items and services that Part A and Part B don't cover include:

- Most dental care
- Eye examinations related to prescribing glasses
- Dentures
- Cosmetic surgery
- Massage therapy
- Routine physical exams
- Acupuncture or other types of acupuncture (like dry needling) for any condition other than chronic low back pain
- Hearing aids and exams for fitting them
- Long-term care
- Concierge care (also called concierge medicine, retainer-based medicine, boutique medicine, platinum practice, or direct care)

They may be covered if you have other coverage, like Medicaid or an MA Plan that covers these services

Decision: Should I Keep/Sign Up for Part B?

■ Consider

- Most people pay a monthly premium
 - Usually deducted from Social Security/RRB benefits
 - Amount depends on income
- May supplement employer coverage
 - Contact your benefits administrator to understand the impact to your employer plan
 - If you don't have other coverage, declining Part B will mean you don't have full coverage
- Sometimes, you must have it (see next slide)



Part B
Medical Insurance



When You Must Have Part A and Part B



Part B
Medical Insurance

- If you want to buy a Medicare Supplement Insurance (Medigap) Policy
- If you want to join a Medicare Advantage (MA) Plan
- If you're eligible for TRICARE for Life (TFL) or Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)
- If your employer coverage requires you have it (less than 20 employees)
 - Talk to your employer or union benefits administrator

NOTE: Veterans Affairs (VA) benefits are separate from Medicare. With VA benefits, you may choose to not enroll in Part B, but you pay a penalty if you don't sign up for Part B during your IEP and enroll later (visit [VA.gov](https://www.va.gov)). If you have VA coverage, you won't be eligible to enroll in Part B using the SEP.

Prescription Drug Coverage (Part D)



Part D
Medicare
prescription
drug coverage



**Can add to
Original
Medicare**



**Usually included
in Medicare
Advantage (MA)**

- An optional benefit available to all people with Medicare
- Run by private companies that contract with Medicare
- Provided through
 - Medicare Prescription Drug Plans (PDPs) (work with Original Medicare)
 - Medicare Advantage Prescription Drug Plans (MA-PDs)
 - Some other Medicare health plans

How Part D Works



Part D
Medicare
prescription
drug coverage

- It's optional
 - You can choose a plan and join
 - May pay a lifetime penalty if you join late
- Plans have formularies
 - Lists of covered drugs
 - Must include range of drugs in each category
 - Are subject to change—you'll be notified
- Your out-of-pocket cost may be less if you use a preferred pharmacy
- If you have limited income and resources, there's Extra Help to pay Part D costs

Medicare Advantage (MA) Plans (Part C)

☒ **Part A**

☒ **Part B**

Most plans include:

☒ **Part D**

☒ **Extra benefits**

Some plans also include:

☐ **Lower out-of-pocket costs**



- An MA Plan is another way to get your Medicare coverage (sometimes called “Part C” or “MA Plans”)
- Offered by Medicare-approved private companies that must follow rules set by Medicare
- If you join an MA Plan, you’ll still have Medicare but you’ll get your Part A (Hospital Insurance) and Part B (Medical Insurance) coverage from the MA Plan, not Original Medicare
 - You’ll need to use health care providers who participate in the plan’s network (some plans offer out-of-network coverage)

How Medicare Advantage (MA) Plans Work

In an MA Plan you:

- Are still in Medicare with all rights and protections
- Still get services covered by Part A and Part B
- May choose a plan that includes prescription drug coverage
- Can be charged different out-of-pocket costs
- Can't be charged more than Original Medicare for certain services, like chemotherapy, dialysis, and skilled nursing facility (SNF) care
- May choose a plan with extra benefits like vision, dental or fitness and wellness benefits
- Have a yearly limit on your out-of-pocket costs



How Medicare Advantage (MA) Plans Work (continued)

- Each plan has a service area in which its enrollees must live
- You (or a provider acting on your behalf) can request to see if an item or service will be covered by the plan in advance (called an organization determination)
 - Contact your plan for more information
- Medicare pays a fixed amount for your coverage each month to the companies offering MA Plans
- Each plan can have different rules for how you get services
 - These rules can change each year
- Hospice care is covered, but by Original Medicare



Medicare
Advantage

Help for People with Limited Income and Resources

- Medicare Savings Program
 - Help from your state paying Medicare costs, including Medicare premiums, deductibles, coinsurance, and copayments
- Extra Help
 - Help paying Part D prescription drug costs
- Medicaid
 - Federal-state health insurance program
- Children's Health Insurance Program (CHIP)
 - Covers uninsured children up to 19 and may cover pregnant women
 - If family's income is too high for Medicaid

Helpful Websites

- Medicare – [Medicare.gov](https://www.Medicare.gov)
- Medicaid – [Medicaid.gov](https://www.Medicaid.gov)
- Social Security – [socialsecurity.gov](https://www.socialsecurity.gov)
- Health Insurance Marketplace® – [HealthCare.gov](https://www.HealthCare.gov)
- Children's Health Insurance Program – [InsureKidsNow.gov](https://www.InsureKidsNow.gov)
- CMS National Training Program – [CMSnationaltrainingprogram.cms.gov](https://www.CMSnationaltrainingprogram.cms.gov)
- State Health Insurance Program (SHIP) – [shiptacenter.org](https://www.shiptacenter.org)